

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE: §
WESTMORELAND COAL COMPANY, et al, § **CASE NO: 18-35672**
§ **Jointly Administered**
Debtors. §
 § **CHAPTER 11**

MEDIATOR'S SECOND NOTICE TO COURT

This Court-ordered mediation commenced on February 7, 2019. On February 19, 2020, the Mediator filed his First Notice to Court at ECF No. 1406. That Notice was of a proposed settlement between the United States Trustee, McKinsey and Westmoreland Coal. The proposed settlement was approved by this Court, the United States Bankruptcy Court for the Eastern District of Virginia, and the United States Bankruptcy Court for the Southern District of New York on April 18, 2019 at ECF No. 1763.

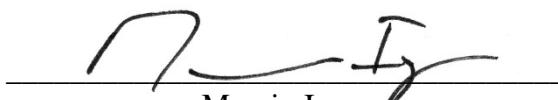
The original settlement did not resolve all issues with respect to the Westmoreland Coal case.

At the joint request of the United States Trustee and McKinsey, the mediation recommenced in late June, 2020. On June 26, 2020, Mar-Bow was invited to participate in the continued mediation effort. After due consideration, Mar-Bow initially declined to participate in the continued mediation. On July 8, 2020 (ECF No. 3027), this Court authorized the continued mediation. Counsel to the Debtors has attended various mediation sessions as an observer and resource.

I am pleased to report that the United States Trustee and McKinsey have reached a further definitive settlement of all issues between those parties related to the Westmoreland Coal case. Based on my observations, the proposed settlement between the United States Trustee and McKinsey resolves the parties' good faith disputes concerning McKinsey's retention in the Westmoreland Coal case. A copy of the definitive term sheet is attached as Exhibit "A". I anticipate that the motion to approve the settlement will be filed shortly.

After the United States Trustee and McKinsey confirmed final approval of the definitive term sheet, a copy of the term sheet was provided to Mar-Bow with a renewed invitation to re-join the mediation. Mar-Bow agreed to retain the term sheet in confidence. The term sheet was forwarded in confidence to Mar-Bow on November 19, 2020. Mar-Bow has requested additional time to consider whether it will participate in the mediation. It is my understanding that Mar-Bow has not yet determined whether to rejoin the mediation. It is my intention to file a further Notice if changes to the definitive term sheet are negotiated.

SIGNED 12/03/2020



Marvin Isgur
Mediator